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RHEBAAA/DEPT OF ENERGY WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUEAIIA/CIA WASHINGTON DC  
RHEFDIA/DIA WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 LAGOS 000628

SIPDIS

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STATE FOR AF/W, INR/AA, DS/IP/AF, DS/ICI/PII, DS/DSS/OSAC  
OSLO FOR HELENA SCHRADER  
DOE FOR GPERSON, CAROLYN GAY  
TREASURY FOR ASEVERENS, SRENENDER, DFIELDS  
COMMERCE FOR KBURRESS  
STATE PASS USTR FOR ASST USTR FLISER  
STATE PASS TRANSPORTATION FOR MARAD  
STATE PASS OPIC FOR ZHAN AND MSTUCKART  
STATE PASS TDA FOR NCABOT  
STATE PASS EXIM FOR JRICHTER  
STATE PASS USAID FOR GWEYNAND AND SLAWAETZ

E.O. 12958: DECL: 09/17/2017

TAGS: [PGOV](#) [PREL](#) [ASEC](#) [NI](#)

SUBJECT: NDDC COMMUNITY DEVELOPMENT SCHEME; NGO SEEKS LOCAL  
GOVERNMENT ACCOUNTABILITY

Classified By: Acting Consul General Donald McConnell for reasons 1.4 (B) and (D)

[¶1.](#) (C) Summary: The Niger Delta Development Commission (NDDC) told international oil companies (IOCs) it would pursue community-driven development in pilot communities in 2008, and if successful, in all nine NDDC states by 2009. Bill Knight, Executive Director of Pro-Natura International, thought the NDDC and GON could develop the Niger Delta if they pressured local government councils (LGCs) to spend funds wisely. Knight, an expatriate living in the Niger Delta for over 20 years, was ambivalent about returning to Port Harcourt after leaving four months ago. End Summary.

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NDDC Unveils Community Development Scheme To IOCs  
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[¶2.](#) (C) According to Bill Knight, Executive Director of Pro-Natura International (PNI), an NGO focused on community-driven development, the Niger Delta Development Commission (NDDC) recently presented its 2008 funding plan for community development to the Oil Producers Trade Section (OPTS) of the Lagos Chamber of Commerce, the coordinating vehicle for the international oil companies (IOCs). An OPTS attendee told Knight the NDDC development path appears to have been modeled after PNI's community development foundations (CDFs); CDFs enable communities to influence how local governments spend resources. The NDDC reportedly proposed to use a few communities in three of the nine NDDC states as pilots during 2008, and if successful, the NDDC would broaden the project to all nine states by 2009.

[¶3.](#) (C) While Knight was pleased to see PNI's model adopted by the NDDC, he was skeptical the NDDC would give it the commitment, financial support, and political will needed for

success. However, if Yar'Adua's Administration is truly interested in bringing development to the Niger Delta, they will need to address corruption at the local government level, Knight posited. The CDFs are one way to achieve this, he said. He described excessive financial abuse by local government chairmen and councils by calling them "extractive industries" and the "worst possible thing" for communities. Nigerian national, state and local governments have drafted Economic Empowerment and Development Strategies (NEEDS, SEEDS, and LEEDS). In contrast, Knight said PNI helps communities develop community driven economic empowerment and development strategies (CEEDS) so they can communicate their needs to local government.

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GON, Governors & Communities Should Pressure LGAs  
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14. (C) Pro-Natura International (PNI) currently works with a limited number of communities in Rivers, Bayelsa and Akwa Ibom to help them influence local government chairmen to meet the community's needs. Opobo-Nkoro, Rivers State, one of PNI's successful host communities, could be a prime example for what Knight refers to as a multi-tier approach in influencing local governments: community leaders, rulers, PNI, and French oil firm Total (which operates in Opobo-Nkoro), bring pressure on local government chairman and council members to act in the community's best interest.

15. (C) According to Knight, IOCs recognize the need for local government accountability; Knight would like to see IOCs and the international community pressure government into a top-down monitoring system, he said. If the Federal and state governments instituted this top-down monitoring

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process, the multi-tier approach would have much greater success, Knight averred. He proposed Vice President Jonathan assume a monitoring and evaluation role to ensure state governments heed the Federal Government's requests. One successful community could be turned into a "living university system" where community and local government representatives from other areas would come to understand how the community development foundations work.

16. (C) Knight admitted his model needed greater stakeholder buy-in and would face political challenges, but was hopeful that with intervention, it could succeed. Knight thought a "convening power" such as the United Nations or United States would be needed to draw communities, PNI and other NGOs, IOCs, and state governments together to begin dialogue and build interest in this model, he commented. Local government elections slated to hold in December 2007 could "get nasty," he predicted. Knight informed Poloff eight of Bayelsa's 32 local government chairmen, some in high oil producing areas, receive their funds directly from the Federal account and therefore do not feel compelled to abide any state government requests. Therefore if the Federal government does not support the NDDC project, it could have limited benefit, he remarked.

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Safe Return to Port Harcourt?  
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17. (C) Knight, an expatriate who has lived in the Niger Delta for over 20 years, was ambivalent about returning to Port Harcourt after leaving four months ago as violence escalated. Two of Knight's Nigerian contacts said they temporarily left the city when heavy fighting broke outside their homes in early August. Knight said an expatriate friend remaining in Port Harcourt finds it "quite boring." There are few places to go given security concerns and the forced closure of bars and restaurants due to decreased patronage.

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Comment  
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18. (C) Knight's optimism on the NDDC's adoption of community-driven development was tempered by his skepticism over whether the NDDC would commit the needed resources and political will. That skepticism is well founded. Nonetheless, the NDDC's purported embrace of community-based projects is a marked departure from their previous approaches, and a positive development. End Comment.  
MCCONNELL